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FM AMEMBASSY MANILA
TO SECSTATE WASHDC IMMEDIATE 8167

UNCLAS MANILA 003044

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E.O. 12958: N/A

TAGS: ETRD EWWT AMGT PTER RP

SUBJECT: NEW U.S. LAW ON MARITIME CARGO SCANNING REQUIREMENTS

REF: STATE 119837

¶1. Econ officers presented reftel talking points to Philippine Bureau of Customs Attorney James F. Enriquez and Attorney. Ramon G. Cuyco on 8/29. Econ officers also sent letters to American President Line, Maersk Line and the Association of International Shipping Lines.

¶2. The initial response of Philippine Customs was to inquire what assistance the U.S. will provide to meet the new law requirements. They predicted difficulties implementing this new law, since not all Philippine ports have scanning equipment and thought it may be necessary to consolidate containers at Manila ports. The Association expressed concern about extra costs and lost time.

¶3. Maurice McKeating, Managing Director of American President Lines Philippines quoted the public comment of the World Shipping Council that the scanning plan 'fails to address critical questions about how such a system would actually operate.'

¶4. The Department of Energy's Megaports Initiative provided Manila Ports with radiation portal monitors and handheld equipment to prevent illicit trafficking of nuclear and other radioactive materials. Alarm stations were also set up at both Manila ports. Currently Philippine Customs is reluctant to staff the alarm stations and portal monitors.

While customs states that there is a lack of qualified officers to operate the equipment, we believe that the real reason is because this operation does not generate revenue.

¶5. Post will report any additional significant reply.

#KENNEY